country and the emerprise of is citizens. On the let d July 1842, the total length of raitroal routes was \$5.51 miles, and the cost of service was \$152,568. Ou ad July, 1842, the total length of ratics 1 roates was \$1.82,578. Out the let of July, 1852, the number of miles on which the mail was conveyed on rairoad to 19,146, eseting \$1,275,500, making an increase of 7,055 miles in ten years, at an additional cost of \$842,952. Between the let of July, 1852, and let July, 1856 the rairoad service was uncreased 10,177 miles, exhibiting the fact that within that time this description of service has been more than doubled.

The table below who as the length of railroad roates.

ble below shows the length of railroad routes

cost of mail service the red		Are the without the	
r from 1852 to 1856, inclusi		Cast	
Year. Miles.		◆1 ,275,520	
1862		1,601,329	
1864		1,756,453 2 673 689	
182518,33		2 310,589	
1856	- 1856, th	e rattroad	

On the 1st day of December, 1856, the ratiroid service had increased to 21 310 miles and the total cost for this service at that date amounted to \$2,483,747.

Within the sam's period, the service on ho sechack, and by modes not specified in the contracts, was increased 16,8th miles in length of routes and 5,212 819 miles in annual transportation. The coact service taken off in some localities, owing to the construction has been given to other Sta es and Terri-

of railroads, has been given to other States and Territories, or other parts of the same State, as their growing population and consequent increases of mail matter demanded; so that, notwithstanding the great extension of railroads, the coach service has been reduced but 262 miles. The steamboat service has been reduced but 262 miles. The steamboat service in 1852, estimated on the length of routes one way, was \$125.71 a mile; in 1856, \$161.45 a mile—being a decrease of \$24.26 a mile. For the modes of conveyance the average rate of pay has largely advanced during the same period, owing to causes beyond the power of the Department to control.

The lettims of new contracts for the term com-

Department to control.

The lettings of new contracts for the term commencing let July last embraced the States of New-Jersey, Pennsylvania, Delawsre, Maryland and Onio.

The following table shows the new service, as in secration on the 30th Sentember:

Conceyance. Leigth. Railroso. 5,288 Steamboat 254 Soach 9,163 Inferior modes. 18,056	M.les of Annual Transportation. 5,607,177 115,128 4 025,362 3,845,790	Cost. \$590,525 10,125 202,534 223,555
Total32,771 Compared with the ser is an aggregate decrea- routes; but an increase of transportation and \$126,1	se of 239 miles in of 636,554 mues in	last, tuere length of the aquad

Additional miles of transportation. 405 203

In New Jersey the transportation is reduced 40,156 miles, and in Maryland 2,186 miles, although the ex-Pense is in creased.
On the 36th June last there were in service 360 route

On the 30th June last there were in service 360 route agents, at a compensation of \$205,429; 34 local agents, at \$21,758; and 1,168 mail messengers, at \$127,251; making a total of \$414,438. This amount, with the increased cost of the new service, commoncing list July last, (\$126,116), added to the cost of service as in operation on the 30th June last, (\$6,05,474), makes the total amount for the current year \$6,576,028. This is independent of ocean mail service.

The Panama Raitroad Company has been paid for transportation of the male seroes the lathnus during the fiscal year ending June 30, 1856, the sum of \$441-308 16. For the first quarter of the present fiscal year they received \$44,659 34. At the last Session of Congress I took occasion to call your attention to the large sams paid the Company for this service, and transmitted to you the correspondendence which had taken place between the Department and the Company in relation to a proposed reduction in their charges.

place between the Department and the Company in reinton to a proposed reduction in their charges.

This Report was laid by you before Congress, but no
definite action was had thereon. In referring again to
this surject, it will be necessary for me simply to repeat the reasons stated in my correspondence with the
Company, and in my letter to you of the 16th of April,
1856. Frior to the 1st of December, 1851, the mails
were conveyed across the 1sthmes under an arrangement with the Nos-Granadian Government, and the
average rate paid for transportation, including the expense of Rouce Agents in crossing the 1sthmas, was a
frection over seventeen cents a pound. In October. average rate paid for transportation, including the expense of Rouse Agents in crossing the Isthmas, was a dr. ction over seventeen cents a pound. In October, 1851, a temporary arrangement was made with the Panama Compony by which they were allowed 22 cents a pound, the maximum rare authorized by law. At this time the amount of mail-matter transported was comparatively smad, and the service was performed perity by cances and partly by mules. The greater the amount of mail matter carried, the greater would be the cost of transportetion; and it therefore seemed to be but just te pay according to weight. No attempt was made to reduce the price, although the cost of the service had increased from \$40,387 in September, 1851, to \$119,727 in September, 1854, until the realroad was completed and the Company had published their tariff of rates. Ten cents per pound was to be their charge on express freight for passenger trains, as well as for the "baggage of passenger trains, as well as for the "baggage of passenger trains, as well as for the "baggage of passenger trains, as well as for the "baggage of passenger trains, as well as for the "baggage of passenger trains, as well as for the "baggage of passenger trains, as well as for the charge and the contents of the sevense and the contents of the sevense seventh of the sevense and the contents of the sevense seventh of the eamers or their conveyance from ship to shore, in Steamers or their conveyance from ship to shore, in which case their charge was 15 cents a pound, 1 concluded not only to allow them that price, but, in view of the Importance of the work, and wishing to deal with them in a überal spirit, fixed the compensation at 18 cents a pound. As annoaced in my last Report, the Compeny refused to acquiesce in that decision, but were paid at that rate until the 24th of December, 1855. In April following the difficulties in Nicarsgua had closed the route through that State, which made it impossible for me to have the mains of the United States conveyed by any other route than via Pausama, and I was then non-deat that unless the Department should give them 22 cents a pound in the future, and pay them the amount, \$18,093.88, withheld by my order, reducing the price to 18 cents a pound, the mains of the United States should not be taken acress the Isthmas. In view of the financial troubles and probable bankrupteles which a discontinuance of the mail service would have caused to hundreds if not thousands of our citizens on both the Atlantic and Pacific coasts, I was compelled to submit to what I considered a gross imposition, and the order of the Dupartment reducing the rate was rescended, and the company have continued to be paid at the rate of 22 cents a pound up to this time. The Panama Rairoad is 18 miles in length, and, in its construction and equipments, cost, it is said, \$3,000,000. The service performed is twice a mouth each way. To show the exorbitancy of the demand made by the company, it will only be necessary for me to refer to one of the railroads in the United States which receives an adequate compensation for the services readered the Department; and a like reference could be made to the compensation received by other railroads with a similar result. The New-York and Eric Railroads with a similar result. The New-York and Eric Railroads with a similar result. The New-York and the latter Company, with a read cesting about one-fourth as much as the New-York and Eric, which case their charge was 15 cents a pound, I con-cluded not only to allow them that price, but, in view of the importance of the work, and wishing to deal

rannum. This would be a liberal and just realism for all the services rendered to the Govern-In my previous reports, I have referred to the neecasity for increased mail facilities between our Atlan-tic and Pacific Coasts. The great and increasing trade and correspondence between these important points demand a weekly service, and I would ask that power be conferred on the Department to enter into a conteact to convoy the mails twice a month, alternating with the line via Panama, by the route via Nicaragus of Tehuantepic, at a sum not exceeding \$50,000 a year. The expenditures of the Department for the past fiscal year amounted to \$10,405,286 36, viz:

For Compensation to Postmasters	42.102.890 78
	6,765.6.0 42
For Wrapping Paper For Office Furniture.	
For Agrertising	5,290 33
For Mail Baga	THE WIND WAS
For Bianks	40,915 64
For Mail Locks, Keys and Stamps	48,563 94
For Mail Depredations and Special Agents	11,683 76
For Clerks for Offices	64,501 77
For Postage State pe.	758,989 80
Por Postage e-an-pa-	26,701 77
For Payment to Letter Carriers	61,625 54
For Misselfenson Poster Carriers	162,915 39
For Miscellaneous Payments	200,000 40
For Baiances due to Great Britain	8,639 27
and manufacts one to Clear District	25,819 71
Total	10 40E 951 NO
Tetal	(0,490,200 06
The gross revenue of the Departme	nt, from all
purces, in the past facal year, was \$6,93	1 801 mi viv.
The state of the s	

tau pa sold..... Pamphicte. Finel Endemonts returned Letter Carriers.

Letter Carriers.

Pead Letters.

Fairs Con per sation to Postmasters over charged.

Miscellaneous Receipts. 71,8:0 63 162,9:5 59 8,483-50

was \$2,787,046 52.

The "act to reduce and m dify the rates of postage, "and for other purposes," approved March 3, 1851, went into o, cration on the lat of July, 1851. By this act the 5 and 10-cent rates for inland letters, established by the act of 1850, were reduced to 3 cents prepair and 5 cents unpaid, if rany distance notes 3,000 miles, and double for distances over 3,000 miles within the United States. These rares continued must the last of April, 1855, when the law requiring pre-payment of inland letters took effect, and established the present races 3 and 10 cents, prepaid. In the fiscal year which ended June 30, 1854, the first of the adoption of the reduced rates, the revenue was diminished about 22 per cent; and for the period of four years terminating on the 54th of June, 1856, the average annuar increase of revenue from let or postage and stamps sold was only 9, 33-160 per cent, marly 4 per cent of which average was derived from the extraordinar increase in 1854, which exceeded the previous year 21,9-100 per cent. In 1853, 1855 and 1856, the business of the country was nestirer so ionely depressed nor embarrased and yet the average increase in these years was less than 54 per cent, in m which it is fair to conclude that low rates of postage have ceased to at mainter the correspondence of the country.

It is estimated that the expenditures for the year

country. is estimated that the expenditures for the year the country.

It is estimated that the expenditures for the year 1857 will amount to \$10,058.78, viz:

For transportation of the mails, foreign and inland, and for local agents, route agents and mail measuragers. \$6,645.000

For compensation to postmasters ship, steamboat and was letters, wrapping poper, office for all one, acversising sail bogs, blanks, mail locks, keys and samps, mail deprecations and special agents, clerks for offices postage samps and stamped on veloces.

3,500.79

vilopes.

Vilopes expenses incidental to the service.

For barious expenses incidental to the service.

For batter carriers.

The means available for the year 1857 are estimated at \$9,501,794 78, viz:
Bainnes to the credit of the revenue account on the 30th June, as stated by the Au Int. 470,501 78
Denuet for unavailable balances and suspended 200,000 00

alone amounts to not less than \$330,000, and without regarding the iton onse it crosse of service throughout the country since the year 1833, it will be seen that if the additional compensation allowed to postmissters alone be deducted from the expenditures, the shole octicle, cy of the year will not exceed that of 1853 more than \$414,000.

While the deficiency has been thus augmented, the increase of service had been very great. During this period, the railroad service was increased 7,908 miles in length of routes at a cost of \$769,000. The increase of service by modes not specified, in the different sections of the Union in the same period, amounted to 19,722 mires in length of routes, and 5,252,244 in amount transportion, the additional cost of which was \$479,001. There was a reduction in coach and steambat service, wing chiefly to the construction of railbost service, owing chiefly to the construction of rail-roads, but much higher prices had to be paid under the

roads, but much higher prices had to be paid under the new lettings, and atthough the tables show a decrease of 5,731 mil s in both descriptions of service during the three years, the increased cost amounted to \$359.785.

In my last Annual Report, in referring to the deficiency in the Post-Other revenue, I expressed my regret that Congress has not abolished the tranking privile; e when they passed the Act of March 3, 1851, revoicing the rates of postage. The axperience of the last year has ratiofied me more fully that this privilege should be specially abolished. For months during this year fee matter, by the law, passed through the mais into every part of the United States, interfering greatly with the regular transmission of the correspondence of the country. When this fee matter passes from the rails ads, it is almost impracticable to forward it by the ordinary conveyances. The evil is yearly increasing, detracting largely from the revenue of the Department and impairing its efficiency.

ing, defracting largely from the revenue of the Department and impairing its efficiency.

By the act of 1855 the revenue of the Post-Office Department was entirely in the control of the Post-master-General; the objects of expenditure belog generally left to he discretion, and he was simply required to pay all the expenses. The extension of the postal system over our rapidly growing country required to pay all the expenses. The extension of the postal system over our rapidly growing country required to pay all the expenses. The extension of the postal system over our rapidly growing country required to pay all the extension of the paying the extension of Congress, and when an appropriation was made it was insisted to the agercyate sum of those estimates, and there was no authority to exceed them. The appropriation was made out of the revenues of the Post Office Department: the theory being that the Department should sostain it off. The becafficent effects of this act, interded to scenic a system of right accountability, have been imposited by various causes. After estimates have been rubmitted, additional service, involving large expenditures, his been required by law, without any additional suproperpiation. The radional service, which has been rapidly extended in every section of the country, though much more advantageous, is for more expensive that the old modes of service, and the increased revenue arising thereform has not been in proportion to the increased outlay. The reduced rates of postage having largely reduced the revenue, it has not been possible to confine the expenditures of the Department within its income, and the Perturnent of the Department with its income, and the Perturnent of the proportion. The laws should be rolled to the saletary restraint imposed by the set of 1856, and left the head of this Department in a great degree uncontrolled in his expenditures. If my views legaring the abolition of the franking privilege a measure which would greatly reduce the expenditure of the Department to c ment and impairing its efficiency.

By the act of 1855 the revenue of the Post-Office

from one point to another within the times is and, in proved generally very satisfactory. Without alla long to other advantages, it affords the only sure means of guarding the Department against less from from fraud or careleanness; and I beg to renew my for mor recom-

merdation for the precise of an act making prepayment also comprehency on all transfert priced another. By the act of 3d March, 1845, the Postmestor General is authorized, under the rescrictions and pravisions of existing in a to contract for the transpiration of the United States between any of the parts of the United States between any of the parts of the United States between the day to report to the next easting Congress a copy of each of these contracts, with a statement of the amount of particle derived under the same. These contracts must be used with chizens of the United States the mail rearries in American vessels by American existens, and the southrests may be made for a term not exceeding ten years, and must contain stipulations reserving the right to the two Houses of Congress to terminate them at any time by a joint resolution. The privargiven by this act is one noder which targe expenditures involving millions could be created, but neither of any predecessors or myself has ever used the authorithy thus given. Believing that Congress should reserve to itself the right to say to how many and to what for gn parts the mails of the United States should be easted, and the amount of money which should be easted, and the amount of money which should be easted, and the amount of money which should be easted and the amount of money which should be easted on the list June. For the most part the service has been performed to the satisfic ion of the Department. If this service is to be continued the Department should as once be authorized to advertise or icke such other steps as may be deemed wise and expedient which each other steps as may be deemed wise and expedient when the other hoods, the new contractors the other hoods, the new contractors the found of the experience of the present system is to be continued of sustaining them in whole or in part out of the funds of the General region of the Present system is to be continued of sustaining them in whole or in part out of the funds of the General region o

hishment of steam lines from any port adds consider ably to its race and importance, and the advantages arising therefrom should be distributed equally, as far as practicable, among the different States of the Union.

General regularity has been observed on all the Holico States Mail steamship lines, except between New Orleans and Vera Cruz, and New-Orleans and Arjuwall. On the line to Vera Cruz the service has never come up to the requirements of the contract, only two trips monthly, instead of three, having been performed, emitting Tampico; and from the 16th August to the 14th October last the service by steamer was entirely suspended. For these delinquencies suitable deductions have been made.

The most serious complaints have arisen from the rejected failures of the New-Orleans muit to connect with the New-York and Pacific line at the Isthmus of Panana. No less than thirteen of these failures, Affact oneward or inward, have occurred since the 20th June. 1855. Some of these, it is alleged, have been occasioned by a cidents to steamers, and others from other causes beyond the control of the Company. Many more failures have occurred since the contractors have between New-York and Aspinwall. From July, 1852, to September, 1854, the mails were conveyed direct, but by their contract the Company situalists only to between New-York and Aspinwall. From July, 1852, to September, 1854, the mails were conveyed direct, but by their centract the Company stipulate only to run from New-York and New-Orleans to Havana, thence by one line to Aspinwall; and the Department cannot compel them to keep up the direct service. Every means however, in the power of the Department, has been, and will continue to be employed in enforcing regularity, and it is to be hoped there will be to further cause or complaint.

he further cause or complaint.

I regret that the differences hitherto preventing the conclusion of a Postal Convention with France are still no further cause or complaint.

I regret that the differences hitherto preventing the conclusion of a Postal Convention with France are still unacquisted. The hope was entertained that as this Department has regards the adoption of the Quarter-cource scale for letters, that an arrangement would before this have been consummated and in successful operation. The terms offered on the part of the United States are certainly liberar, and there appears to be no good reason why they may not be accepted. It was with reluctance, however, that consent on our part was given to the quarter-cance scale, since the half-cource for single letters is the scale observed with us, and in all our postal arrangements with foreign countries; and locking to a cheap, simple, and as far as practicable, uniform system of postage, which it is to be hoped may before long be arranged for international correspondence throughout the civilized world, it would be an important point gained were the French Government to assent to the general introduction of the half-ounce scale. The French Government, having make provision for the transit conveyance through Edgland, of books, pamphlets, newspapers, mays zarce, and other printed matter from the United States activesed to France. A geira, or Cities of Tarkey, Spria and Egypt, where Franching her constitute from this Department authorizing the transmission via England of all our printed matter on prepayment of the same rates of United States postage as an echangeable thereon when dispatched to France.

A proposition has been received from the British Postage for incontraction of the postage between the

chargeable thereon when dispatched to France.

A proposition has been received from the British P. 11-Office for a reduction of the p-stage between the United States and Great Britain, from 21 to 12 cents the single letter. In answer, this Department has invicated a willingness to accece to this proposal, provided the transit charge on mails passing through England from and to the United States is reduced to 121 cents and more, the price paid by that Government for the conveyance of the British and Canada mails through an ence, the price paid by that Government for the conveyance of the British and Canada mails through the United States. This Department has been for years enceavoring to have an abatement made in this transit charge, which is considered excessive, and in the present instance the condition was readered recessary, inasmuch as a reduction on the United States and British correspondence will involve also a reduction of the sea postage on the United States and Continental closed mails, the effect of which would be greatly to reduce the receipts from the United States and Continental closed mails, the effect of which would be greatly to reduce the receipts from the United States mail strainship lines, unless there is a corresponding remetion in the British transit tax; so that by lower rates correspondence would be increased auticiently to prevent loss. So far as Great Britain is concerned, in the event of a reduction simply in the Atlantic postage, it is not likely sike would suffer any serious diminution of her postal revenues, since she would doubtless be compensated for any loss on that account by the increased amount of transit postage she would realize under such an arrangement. This condition was, however, coupled with an offer on the part of this Department to have the transit price for all closed mails in the discount results fixed at the uniform rate of 12] cents an our cean concession which would scenare to the British and Colifornia and West India closed mails the right of tensel in son centes at one half and in other at only one quarter the price now charged under the tresty. I was the more ready to make this country and Europe should be refleved from the overous tax to which it is now subjected, in order that the people on both stees of the Atlantie, in their social and business intercurre, may be as little trammeled as possible; and, second, because it is lakewise very desirable, as well in foreign as in connectie post in arrangements, that simplicity and uniformity should be observed.

Arrangement an

Arrangement is not confirmed to the action partment and the posts authorities of Great Britain and Canaca, providing for the registration of valuable letters transmitted between those countries and the United States. The United States register of the series five cepts, the same as on registered letters destined to any place in this country. (The articles of agreement are annexed.)

any place in this country. (The articles of agreement are annexed.)

Articles of agreement have been drawn and executed on behalf of this Department, providing for a regular exchange of mails with Holland. The project is favor ably reparted by the Government of the Northerlands and assurances have been received leading to the belief that with a slight mount sation touching the Belgian transit passage, it will be accepted.

An intermal arrangement has been entered into with the free City of Hamburg or an exchange of mails by means of the direct bine of Hamburg steemers, plying mouthly between that city and the City of New York, The single rate of postage established for letters is ten cents; no mails for places beyond Hamburg being transmitted by this line.

With Maxico no pertal convention has yet been concluded, but it is confidently hoped that the pending ne-

With Mexico no pertal convention has yet been concluded, but it is confidently hoped that the pending negotiations on this subject may result in an arrangement mornally advantageous to both constries.

The statistics of the foreign mail service are fully risted in Appendix A, annexed to this report. I will, however, but hy mention some of the prine palresalts in this important branch of the service, as compared with the operations of the fiscal year, ending 30th of June, 1855.

one, 1855. The aggregate amount of postage, foreign and do The aggregate amount of postage, foreign and donestic, on main transported by the United States Mail Scamship lines was \$1,035,70 38 which is a demease of \$21,890 40 from the previous year. The decrease of postages by the Calius line was \$13,117 %, by the Havre line \$5.0 31, and by the Charleston and Havara line \$5.0 61 by the Bremen tine the postages were increased \$12,323 77, by the New York and California lines \$0.370 92, and by the New Orleans and Vera Cruz line \$311 80.

The total sineupt of letter postages on British mails during the year was \$597, \$48 70, being a decrease from ast year of \$70,048 71. Of this amount, \$601,031 10

was collected in the United States and \$296.617.30 in Great Britsin, showing an excess of \$304.414.10 called the fact in street of the paid received from Great Britsin excessed the paid received \$154,451.94, and the paid antiform the United States exceeded the unpaid was \$1.89.59.16.

The total letter postages on Prussian closed mails was \$1.89.467.71, which varies but little from the preceding year, when the postages on this class of correspondence amounted to \$299.578.46. The proport on of this pastage collected by the United States was, however, largely increased, the excess collected in this courtry being \$80,388.83. This excess during the previous year was \$.9.722.78.

The amount of letter pestages on Havre mails was \$16,152.68, all of which was collected in this country. Last year the postages on these mails amounted to \$16,915.92.

A corresponding decrease was also taken place in the

Site 179 CS, all of which was collected to this country. Last year the postages on these mails amounted to \$16,915 92.

A corresponding decrease was also taken place in the amount of correspondence exchanged with Bremen, the total postages being only \$55,789 85, or \$1,874 21 less then in the preceding year.

It will thus be observed that the amount of foreign correspondence has not only fallen off very considerably but the revenue derived therefrom to the United States Post Office has likewise been materially lessened by the largely increased collections made in this country, as compared with any previous year. During the year ending 30th Jane, 1855, the excess of British postages collected by the United States over the total amount of the United States postages collected by Great Britain was \$54,820 64. This excess during the last fiscal year was increased to \$81,530 83, not withstanding the diminished amount of correspondence. Like read's are exhibited in respect to the mails exchanged with Prusia and Bremen, showing that under our postal arrangements with those countries the principle of optional prepayment operates very unequally against the United States, the expenses of collection being chiefly borne by this Department, which not only collects at each, but also a very large proportion of the foreign postages, and accounts for the same in full, to the foreign office, without receiving any compensatory be aft in return.

The errors amount of United States postages on mails

the fereign office, without receiving any compensatory be if in return.

The gress amount of United States pestages on mails conveyed during the year by the Collins line was \$115.867 44; by the Bremen line, \$128,937 64, and by the Havre line, \$88,483 29. Deducting the United States inland postages on there mails, the net revenue from ocean postages by the Colins line was \$339,749 14; by the Bremen line, \$80,492 88, and by the Havre line, \$71,882 10.

The general results of the foreign mail service during the year, as calabilited in the Appendix, will be found, on comparison not to very materially in other respects from those of the fiscal year ending 30th June, 1855.

Notwithstanding the unusual extension of mail fa-

respects from these of the fiscal year ending 30th Jane, 1855.

Notwithstanding the unusual extension of mail facilities and the increase of railroad service, the number and cost of mail-bags have been very considerably diministed. The reduction in this iten of exposes amounts to \$14,512.75, or 31 per cent less than the expenditure incurred for this article in the preceding year. Measures which have been adopted to cheek shares and secure increased vigilance and accountability in respect to this species of public property, as well as improvements which have been introduced in it esystem of begging and distribution, are believed to be the principal circumstances which have tended to produce this favorable result.

A report will be presented to Congress containing a specific statement of the fines impresed and the deluctions made from the pay of the contractors in failures and other irregularities which have occurred in the conveyance of the mails during the year. It will be seen that these fines and educations have amounted to the sum of \$102,740 ob. During the previous year they gu ounted to \$121,530 os.

On he passage of the Pest-Office Appropriation bill, at the last Session of Congress, the following amondment was inserted and become a law: "And be it "further enacted, That the First Controller of the "treasury be and is hereby required to adjust the damage due to Edward H. Carosiek and Arbert C. Ramsey, on account of the abragation by the Post-master General of their confract to carry the mail on the Vera Cruz. Acapulco and San Francisco route, "dated the 15th February, 1853; to adjuage and award to them, according to the principles of law, "equity and justice, the smount so found dae; and the "Secretary of the Treasury is bereby required to pay the "sance to the said Carmick and Ramsey, out of any "mency in the Treasury is bereby required to pay the "sance to the said Carmick and Ramsey, out of any "mency in the Treasury to otherwise appopriated." I append to this report copies of the correspondance on fil

"1855." In communicating with the contractors that authority to the Postmasters, be informed them that it was given "with the express understanding that "neither this Department nor the Government was to "be in any way holden for any expenses attending "unch service; but, as provided in the contract, it is be in a contract to the sametier of by an appropriation to carry it into "effect, the pay if any, for each service commencing only in accordance with the terms of the contract, "namely, from the time Congress should ratify the "contract." Thus the matter stood on the 8th March, 1853. On the 15th of June of that year, the Department received the letter referred to in my first Annual Report. If ellence had been observed, and the contracting parties had gone on making expenditures, without a knowledge that its ratification could not be recommended to Congress, they might have had some pretext for complaint. After a careful consideration of the subject, the conclusion was arrived at, that the route was impracticable for mail purposes, and that the contract could not meet my excelention. There height my years had conset in years the contract could not meet my excelention. lior of the subject, the conclusion was arrived at, that the route was impracticable for mail purposes, and that the contract could not meet my apprehation. There being my views, I deemed it but just to the contractors that they should know them, and they were accordingly communicated to them, leaving them to determine whether they would proceed in their endeavors to establish the route, and obtain the ratification of the contract by Congress, with-out the aid of the Department, or abandon the strempt. Such was the action of the Department, and the cause of it which did not certainly interfere with any of the rights of the contractors. Neither was the order of the Postmaster General of March 7, 1853, annulled. The mail to and from San Francisco being a very important one, it was deemed but proper that the head of the Department should alone determine whether the contractors had provided the necessary means for its safe transmission, and that this power should not be unreservedly delegated; the Postmasters at New-Orleins, San Francisco, Monferey and San Diego were therefore directed, in case the contractors applied to them for a mail, "to report to the Department for further instructions." No instructions were ever required by the Postmasters, ner was any request made by the contractors to deliver the mails. The only instance in which such request was made, was that contained in the letter of E. H. Carmick of Nov. 12, 1853, in which he asks that norder may be given, permitting him "as one of the contractors to carry a mail on this he asks that an order may be given, permitting an "as one of the contractors to carry a mail on the "route frem California, leaving it optional with person "route from California, leaving it optional with person "to send by this way, and designate the same on the letter;" but as it appeared that the contract had gon into other hands it was not thought that a reply was necessary. In the same spirit, and with a determination not to interfere with the contract, or with anythin my predecessor had done, the letter of the 30th of Normber, 1853, to Mesers, Harris and Morgan, was writen. Independently, however, of these considerations there was no obligation, either express or implied, of the part of the Department, to aid the contractors in there was no obligation, either express or implied, on the part of the D-partment, to aid the contractors in the ratification of their contract by Congress. Ad the express incurred were at the risk of the contractors, voluntarily assumed by them, and if they could have stem that the route was as practicable and expetitious as represented, their contract would no doubt have been confirmed by Congress, and themselves amply indemnified. Their allegations in their letters to the Department, that the road was equipped, and that they had placed the commercial cities of San Francisco and New Orleans within fifteen days postal intelligence of each otter, could then have been corroborated, and could such have been shown to be the case, no aid from the Department was necessary, and no opposition that could have been made would have prevented the ratification of their contract by Cengress, and the passage of an appropriation to carry it mae effect. I have the bosor to be,

Very respectfully, your abilitiery.

To the Parador St.

SECRETARY OF THE INTERIOR'S REPORT. DEPARTMENT OF THE INTERIOR, November 29, 1856.

Siz: I have the honor to submit to you my atmos port, giving a brief history of the operations of tai Department while under my charge.

The Act for its organization was immaturely considered.

ered, otherwise so many subjects, in almost everrespect elesimilar, would not have been united in the ome Department. There is no congruity in the prin rights by which the different bareans are governed, and he decisions which the bead of the Department is con stantly called upon to make, have little or no relation to each other, as a mere glance at the matters in austed to his care will readily show.

Is the Department by the organic set, is confident the supervision of the Pa opt Office, the General Land

Office, the Indian Office, the Pension Office, the Commissioner of Public Br dings, the Board of Inspectors and Warden of the Penitentiary of the District of Columbia, the Cenera, and the accounts of the Marshals, Clerks and other officers of all the United States Courts, exbracing these of the District of Columbia. To these have since been added the Insane Asylum, the Mexican Boundary survey, and the construction of

several territorial roads. When the legitimate objects of the different Departments are duly considered, it would seem that a reorganization of the whole had become necessary, and that a more suitable arrangement than the present one could be devised, and should be adopted. At all events, no further burdens should be imposed upon the Department, as its labors are already sufficiently severe and arduous. When organized in 1849 several of its bureaus were larger than most of the present Departments twenty years before, and they have since ben constantly increasing, and will continue to do so, keeping pace with the extension and advancement of the country.

he country.

Notwithstanding the Indian difficulties and other Notwithstanding the Indian difficulties and other disturbances in several of the Peritories, the surveys of the public lands have progressed rapidly. The quantity of land surveyed, exclusive of school sections, since my last report and up to the 30th of September last, was 16,873,699 acres, much of which is now ready

quantity of land surveyed, exclusive of school sections, since my last report and up to the 20th of September last, was 16,873,629 acres, much of which is now ready for market.

The grants made by Congress, at its last Session, for railroad purposes, have had the effect of witndrawing from market a large body of the public luds, which, notwithstarding every exertion th t can be made, cannot be restored in less than nine months, and pechaps not then, as it depends in a great degree upon the action of the States to which the grants were made, and, in many cases the legislation of those States.

In executing the Graduation Act, many grave questions have arren, some of which cannot be satisfactively settled without the interposition of Congress. Every effort has been made to carry it into effect, so as to benefit, as far as practicable, the actual settler; but the leasness with which some of its parts were drafted, at d the want of proper guard to protect its principles has, thus far, rendered most of those efforts in after ual. Many fraudulent entries under the act having been reperred to the General Lund Office, suitable rures and regulations have been adopted for their correction, and to prevent the occurrence of others. The principled difficulty arises from the fact, that in many cases, although the land has been entered more than a year, no improvement, indicating a bone fide intention to perform the requirements of the law, have been made, and in others, the purchasers, immediately after the entries, made sale of the lands purchased, without the slepthest attempt at actual settlement or entitivation." Patents upon entries have been applied for, and will be greated wherever the Land Office is satisfied of the fairness of the transaction, but where there are reasonable grounds for suspicion, proof will be required to be filed, within a given period, to sustain the carry. It is, however, emplected to substantian the carry. It is, however, emplected to substantian the carry. It is, however, or more than estate of generally, and the States in which the gradusted tauds lie, it is importent that the matter should be promptly dispered of, either by sanctioning and afficing the action of the General Land Office, or directing the priests to be issued without farther requirement. The quantity of land hold for cash, during the last Acres. Seatly err. was. Acres. 927,878.98

Received tracefor. 98.521.414 53

Lecated with Mivrary Scrip and Land Warrents. 8.382,480.09

Swanp Linds approved to the States. 6.06,071.39

Selected an der Pomeinon for Railroads. &c., and granted for Railroad purposes (estimated). 15,689,075.00

the whole Pacific slope, embracing the State of Cambria, the Territories of Oregon and Washington, and into the Territories of Kansas, Nebraska, New Mexico, and Utab. This immense geographical surface has been organized into six new surveying departments, and the public surveys are in rapid extension over it. Surveying operations in the new and the old districts have, in the same period, been extended over an area of nearly sixty millions of a res, in which the lines have been run and established.

Duting this reside also there have been

been run and established.
During this period, also, there have been Sold for Cash.
(For which there has been received \$27,940,131.)
Lecated for Military Bounties.
Approved under Swamp Latd Grants
Granted for Railroads. 15,806,200

largely increasing the value of the landed interests of the country.

It is carriery possible to convey a proper idea of the great labor incident to the accomplishment of the operations mentioned. It may be stated, however, a nong numerous heavy items, that the records of corre-pondence cover musty thousand foldopages, embracing declaions upon numerous intricate questions of title, not only as derived from foreign Governments, but arising under the land legislation of Congress during the past baif century. Beside this, eight thousand accounts have been adjusted, and four hundred thousand land paten's issued by the Government.

An examination has been made, with a view to ascertain whether the number of effices of Surveyors-

An examination has been made, with a view to as-certain whether the number of effices of Surveyors-General could not be diminished, and it has been found that four may be entirely discontinued within the next two years, and the initiatory steps have been taken to that ead. The number of applications under the recently-

The number of applications under the recently-en-seted bounty land laws to the 25th inst., was 265-265; those examined, 352,726; of which 182,070 have been allowed, and warrants issued covering 22,003,290 areas, and 57,556 have been suspended or rejected, leaving 25,542 original cases not yet examined. These laws have been executed with all possible dis-patch, and there are comparatively few craims which have been undergone preliminary examination. The time thus consumed has been less than one half of what

have Lot undergone preliminary examination. The time thus consumed has been less than one half of what was anticipated when the several acts were respectively passed. Although the labor and attention required were great, the work has been accomplished in a very brief period, and yet with great faithfulness.

The necessity of further power being given to the Commissioner of Pensions, to suspend, diminish and discontinue pensions, when the reason for granting them has partially or totally exaced, is daily becoming more apparent. The Commissioner should be clothed with amhority to strike the name of the pensioner from the pension roll, or graduate the pension of the disability of an invalid pensioner. Cases of this kind are constantly occurring. Upon an investigation of this class of pensioners in a pertion of a single State, during the past year, it was found that, of sixty-soven cases, eleven were baseless, and the amounts allowed to most of the remainder were much larger than their present disabilities would entitle them to; so that, if those pensions were properly graduated, the annual saving to the Treasury, in the cases examined, would be some \$3,000. As these are life pensions, the aggregate annual amount paid is very large, in comparison with what it should be; and, as the number of this class of pensions is is rapidly and constantly augmenting, unless some measure is adopted to prevent it the evit will the largely increased.

Experience and reflection convince me that the only type principle upon which to base permiss is that of

indigence. The meritoric us and needy position new peorly aided by the General Government persons, ranging from 63 50 to 63 per much manifestly insofficient to supply their necessary wet especially where they are compelled to furnish and are for dependent furnished. If the principle adopted, and a reasonable increase made to the prompitance of those whose services and wants demand the amount annually appropriated would not be creased, but the distribution would be far more increased, but the distribution would be far more increased, but the distribution would be far more increased. There are distinctions and discriminations between the control of the people of the p

in the one case should be of the same character as in the other.

On the 30th of June last, there were 13,022 pectors, and the amount disbursed for their benefit drive the fixed year was \$1,360,624 61.

Every day's experience proves that the present on tem of condining the advances to pension agents to the amount of their semi-annual payments has had a god effect. I am persuaded that in most cases when under the old system, the peasion agents were not ill rectly compensated by the Government for their actives, they were indirectly paid; otherwise we cannot notely they generally had on hand over and above what was actually necessary to meet the carnot demands, nor can it be presumed that they would have performed the service without remuneration; or, if they necessary would have rested content so had without presenting their claims to Congress.

Notwith tending the vigilance of the Pension Barray and the numerous precautions adopted, and in

Netwith tending the vigilance of the Pensica Notwith tending the vigitance of the Pension Ba-reau and the numerous procustions adopted, and the criminal proceedings instructed and successfully pres-cured, frauds are still being perpetrated many of which car not be prevented, or punished when discovered without a revision of the laws relating to such offense. On the 30th of September, 1802, the number of ap-plications for bounty land, pending and on the su-jected fives of the Pension Office, liable to be called the commission, was about 1800 of the processing the succession of the succession of the pension Office, liable to be called pended free of the Penson-Office, hable to be called p for revamination, was about.

1be number of new applications filed during the year following was about.

1buting the next year about.

1b. 6

And thence to the sons Sept., 1556.

Making in all..... Making in all.

The number of warrants issued during the yeur ending the Stth Sept. 1833, was about.

The number issued the succeeding year was.

17.22

During the next year.

18.43

During the year ending 30th Sept., 1856.

act of 3d February, 1853, and the Bouart Land hav of 3d March, 1855, and the amendatory act of 14th May, 1856.

The field work of the Maxican Boundary Commission was all accomplisted, as stated in my lest report, within the time contemplated and largely within the means appropriated.

All the menuments agreed upon by the joint Commission have been erected, and the line is marked from the Gu f of Maxico to the Pacific, and the United States is in possession of the territory.

A considerable portion of the boundary is formed by the Rio Brave, or Rio Grande, and in the sattled portion of the valleys which are best adapted to actualizer, the bed of the river sometimes changes, and transfers considerable portions of land from one add to the other. The Commissioners concluded, and it is thought with correctness, that, except in the case of gradual accretions on one or the other bank of the river, the boundary would remain where the river fixed it at the time of the survey, and as shown in the maps, notwithstanding actual changes in the source of the river. A case of this kind is threatened in the valley of Ri Paso, and anxious inquiries have been made on the subject. The parties making the inquiries have been referred the partied maps, and informed that any change on the river detaching solid masses of land does not change the jurisdiction.

The Maxican Commissioner, according to an agreement with the American Commissioner, repaired to this city, with a corps of assistants, about the first of July last, for the purpose of constructing the maps required by the treaty, to show the boundary, and is now here on that duty.

On the part of our Commissioner, these maps will be finished by the first of March next. Already the services of many of his assistants have been dispensed with, and it is in contemplation to discharge the whole force of draughtern in before that time, and none of the complayees will be retained, except such as may be required to superintend the printing of the maps and reports descriptive of the bound

try, the publication of the report is already in the hands of the printer, and nothing retards its publication but the necessary delays in engraving the maps.

Notwithstanding the Senate, in its order for the publication.

lication of the report, and accompanying appender, of the Boundary Commission, directed to a the expenses of publication should be paid out of the boundary appro-griations, there will remain of them untouched in the

publication should be paid out of the boundary appropriations, there will remain of them untouched in the Treasury sone \$80,000.

No officer could have discharged his duty with more ability or greater fidelity than the Commissioner whom were calified the interests of this Government. And it is proper to state that the utmost harmony has existed on this Commission actions the officers of both the commission actions the contraction of the commission actions the commission actions the commission action to the commission act existed on this Commission , etwoen the officers of but the Governments, and that all questions 1 key to pre-duce the least difference have been amicably scaled and, it is believed, to the entire satisfaction of all par-

ties.
Since the 1st day of Jenuary last the Patent Office has issued 2,255 patents, and within the year the number will probably be increased to some 2,500.
All applications are promptly attended to; and it is hoped the interests of that meritarious class of our people, the inventors, are properly secured and protected. Note are more worthy the fostering care of

people, the inventors, are properly secured and protected. Note are more worthy the fastering care of the General Government.

From small beginnings the Patent-Office has grown into proportions comparatively gigantic. Half a contray age, the whoie revenue of the office of his entry age, the whoie revenue of the office of the decrease \$1,500 per annum, which was appropriated to the payment of one clerk, who transacted the entire business of the office. The inc me for the present per will be about \$200,000, which will still be scarcely afficient to defray the current expenses of the office, with its one hundred examiners, clerks and other employees. If we compare the prosent condition of the office with what it was a few years age, we shall find that during the four years previous to 1853 the average sinual lumber of applications for patents was 2,522; while for the four subsequent years such average will be about 4,000. The number of patents was 2,522; while for the four subsequent years such average will be about 4,000. The number of patents annually issued during the former period averages 900, during he latter about 1,850. For the current year, the whole number of applications made, the whole number of patents about a 1,850. For the current year, the whole number of applications for patents in this office the last year was greater than the near other current year, the still an early other country, having neen 4,455, against 2,35 n Great Britain, and 4,056 in France. For the present year, the uniter of applications will probably received.

The business of the office seems to have outgro the system upon which it has thus far been conduct which was adapted to a previous stage of its exister. The wisdem of Congress may be profitably exerci-in making such medifications as present electronstan-

In addition to the business of the Patent Office

In addition to the business of the Patent Office proper, there has been devolved upon the Community of Patents the supervision of the National Gallery and the direction of the fund annually appropriate for agricultural purposes. The former of these dates is, compartively, of small moment, the latter of great and rapidly growing importance.

There seems no very natural or immediate connection between the legitimate business of the Patentino Diffice and the subject of agriculture, except in their mutual relation to the industrial pursuate of the people. But the revenues of the office being somewhat is excess in 1829, the Commissioner of Patents was authorized to apply \$1,000 for the purp use of procuring agricultural statistics. For many years subsequent that time annual appropriations were made from the same furd, for a rimilar purpose. These were increased, from time to time, until they reached the same of \$5.00, where they remained in sarly stationary for several years.

several years.
In 1854 the appropriation was increased to \$35.000 In 1804 ithe appropriation was increased to and made payable out of the Treasary; and the appropriation for the present year has been increased to atto, 160. The objects embrace d in this appropriation are declared to be "the collection of agreement," statistics, key stigations for promoting agreement.